

ST. TAMMANY PARISH RECREATION DISTRICT NO. 11  
ABITA SPRINGS, LOUISIANA

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ANNUAL FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5/25/11

**PHIL HEBERT**  
**CERTIFIED PUBLIC ACCOUNTANT**  
**A PROFESSIONAL ACCOUNTING CORPORATION**

**St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana**

**Annual Financial Statements  
As of and for the Year Ended December 31, 2010  
With Supplemental Information Schedules**

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**St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana**

**Annual Financial Statements  
As of and for the Year Ended December 31, 2010  
With Supplemental Information Schedules**

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MEMBER  
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Certified Public  
Accountants

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MEMBER  
Society of Louisiana  
Certified Public  
Accountants

### **Accountant's Review Report**

Board of Commissioners  
St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana

I have reviewed the accompanying financial statements of the governmental activities, and the general fund of St. Tammany Parish Recreation District No. 11, Abita Springs, Louisiana, a component unit of the St. Tammany Parish Council, as of and for the fiscal year ended December 31, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents, and the accompanying supplementary information schedule on page 33, which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the St. Tammany Parish Recreation District No. 11.

A review consists principally of inquiries of St. Tammany Parish Recreation District No. 11 personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The management's discussion and analysis and budgetary comparison information, on pages 6 through 12 and 33, are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. I have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report dated April 26, 2011 on the results of my agreed-upon procedures.

*Phil Hebert*

Phil Hebert, CPA  
A Professional Accounting Corporation

April 26, 2011

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# **Required Supplemental Information (Part I)**

## **Management's Discussion and Analysis**

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**  
**Management's Discussion and Analysis**  
**December 31, 2010**

**Introduction**

The St. Tammany Parish Recreation District No. 11 was established by the St. Tammany Parish Council on July 2, 2002 pursuant to Louisiana Revised Statute 33:4564. The District has the authority to own and operate facilities and engage in activities which promote recreation. The District area encompasses all of Ward 10, including the Town of Abita Springs. The governing board is made up of five commissioners; four are appointed by the Parish Council and one is appointed by the Parish President.

**Financial Highlights**

- At December 31, 2010, the District's assets exceeded its liabilities by \$510,717 (net assets). Of this amount, \$220,116 (unrestricted net assets) may be used to meet the District's ongoing obligations to its citizens.
- At December 31, 2010, the District's governmental fund reported a fund balance of \$251,621, a decrease of \$100,009 from the previous year. Of this amount, \$251,621 is available for spending at the District's discretion (unreserved fund balance).

**Overview of the Financial Statements**

The financial statement focus is on both the District as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the District's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the District's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**  
**Management's Discussion and Analysis**  
**December 31, 2010**

**Government-Wide Financial Statements**

Government-wide financial statements are designed by GASB Statement 34 to change the way in which governmental financial statements are presented. It now provides readers for the first time a concise "entity-wide" Statement of Net Assets and Statement of Activities, seeking to give the user of the financial statements a broad overview of the District's financial position and results of operations in a manner similar to a private sector.

The Statement of Net Assets presents information on all the District's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The difference between the assets and liabilities is reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District consist of one category: governmental funds.

Governmental funds are used to account for most of the District's basic services as reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.



**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**  
**Management's Discussion and Analysis**  
**December 31, 2010**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and change in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations can be found on Statements D and F.

The District maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and change in fund balance for the General Fund. The basic governmental fund financial statements can be found on Statements C and E of this report.

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 through 31 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the District's net assets for the current year as compared to the prior year. For more detailed information, see the Statement of Net Assets following this section.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**  
**Management's Discussion and Analysis**  
**December 31, 2010**

**Net Assets**  
**December 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>Assets:</b>		
Current and Other Assets	\$ 267,197	\$ 360,769
Capital Assets	<u>290,601</u>	<u>122,762</u>
Total Assets	<u>557,798</u>	<u>483,531</u>
<b>Liabilities:</b>		
Current Liabilities	25,081	18,416
Long-Term Liabilities	<u>22,000</u>	<u>32,000</u>
Total Liabilities	<u>47,081</u>	<u>50,416</u>
<b>Net Assets:</b>		
Invested in Capital Assets, Net of Debt	258,601	90,762
Unrestricted	<u>252,116</u>	<u>342,353</u>
Total Net Assets	<u>\$ 510,717</u>	<u>\$ 433,115</u>

Approximately 50.6% of the District's net assets reflects its investment in capital assets ( improvements, and equipment) net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending.

Approximately 49.4% of the District's net assets are unrestricted and may be used to meet the District's ongoing obligations to its citizens.

Capital Assets increased by \$167,839 from \$122,762 to \$290,601 due primarily to the purchase of land at \$144,847.

Current Assets decreased by \$93,572 from \$360,769 to \$267,197. The decrease is due primarily to the purchase of the land.

**Governmental Activities**

In order to further understand what makes up the change in net assets, the following table provides a summary of the results of the District's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**  
**Management's Discussion and Analysis**  
**December 31, 2010**

**Change in Net Assets**  
**For the Years Ended December 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
Program Revenues:		
Charges for Services	\$ 127,555	\$ 73,475
General Revenues:		
Ad Valorem Taxes	207,905	188,660
Revenue Sharing	8,519	8,000
Interest Income	471	376
Other Income	3,156	81,480
Total Revenues	<u>347,606</u>	<u>351,991</u>
Expenses:		
Recreation Expenditures	<u>270,004</u>	<u>245,412</u>
Total Expenses	<u>270,004</u>	<u>245,412</u>
Change in Net Assets	77,602	106,579
Net Assets, Beginning	433,115	326,536
Net Assets, Ending	<u>\$ 510,717</u>	<u>\$ 433,115</u>

Charges for services include registration fees for baseball, basketball, football and soccer. They also include concessions and entrance fees. The increase of \$54,080 is due primarily to an increase in Baseball revenues of \$11,570, Basketball revenues of \$3,375, concessions of \$22,671, and Gate of \$10,559.

Ad Valorem Taxes increased by \$19,245 from the prior year amount.

Recreation expenses increased by \$24,592 due primarily to increases in maintenance of \$12,678, concessions of \$5,154 and increases in various programs.

**Fund Financial Analysis**

As of the end of the current fiscal year, the District's General Fund reported an ending fund balance of \$251,621. This represents a decrease of \$100,009 from the prior year balance.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**  
**Management's Discussion and Analysis**  
**December 31, 2010**

**General Fund Budgetary Highlights**

For the General Fund, actual revenues were \$42,689 more than final budgeted revenues.

Actual expenditures were \$28,993 less than final budgeted expenditures. The net change in fund balance was \$71,682 more than final budgeted amounts.

Significant variations between original and final budget amounts are as follows:

- Park Revenue was increased by \$36,059 to account for the increase in concession income and other program revenue.
- Property Taxes revenue was decreased by \$10,477.
- Baseball expenditures were increased by \$10,985 to account for the increase in baseball expenditures.

Significant variations from the general fund's final budget amounts and actual amounts are as follows:

- Actual property tax revenue was \$24,221 more than the final budgeted amount. Property tax revenue was adjusted to the grand recap received from the St. Tammany Parish Assessor's office for the tax year 2010.
- Park Revenue was \$7,996 more than the final budgeted amount due primarily to increases in gate revenue and concession revenue.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**  
**Management's Discussion and Analysis**  
**December 31, 2010**

**Capital Assets and Debt Administration**

**Capital Assets**

The District's capital assets for its governmental activities as of December 31, 2010 was \$290,601. The total increase in the District's investment in capital assets for the current fiscal year was \$167,839. Additional information on the District's capital assets can be found in *Footnote 6 Capital Assets*.

**Debt Administration**

At year-end, the District had \$32,000 in Limited Tax Certificates, Series 2009 versus \$42,000 last year.

**Condensed Statement of Long-Term Debt**

<u>Governmental Activities</u>	
Limited Tax Certificates, Series 2009	<u>\$ 32,000</u>

The current portion of the debt listed above is \$10,000.

**Future Economic Plans**

St. Tammany Parish Recreation District No. 11 will hope to gain voter approval in the fall on a millage proposal to extend the expiration of the current millage to a new 10 year term. The District will also ask the voters to allow the issuance of approximately \$1 million in bonds for the development of the new 10 acre site and the construction of a community center.

**Contacting the District's Financial Management**

Questions regarding this report or requests for additional information should be addressed to Mike Lopez, President, St. Tammany Parish Recreation District No. 11, P.O. Box 443, Abita Springs, LA 70420.

**Basic Financial Statements**  
**Government-Wide Financial Statements**

**St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana**

**Statement A**

**Statement of Net Assets  
December 31, 2010**

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 54,485
Ad Valorem Tax Receivable, Net	209,344
State Revenue Sharing Receivable	2,873
Bond Issuance Cost, Net of Amortization	495
Capital Assets, Net of Depreciation	<u>290,601</u>
Total Assets	<u>557,798</u>
<b>Liabilities</b>	
Accounts Payable	1,087
Payroll Liabilities	7,171
Pension Payable	6,823
Noncurrent Liabilities:	
Due Within One Year	10,000
Due in More Than One Year	<u>22,000</u>
Total Liabilities	<u>47,081</u>
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	258,601
Unrestricted Net Assets	<u>252,116</u>
Total Net Assets	<u>\$ 510,717</u>

See accompanying notes and accountant's report.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**

**Statement B**

**Statement of Activities**  
**For the Year Ended December 31, 2010**

<u>Functions/Programs</u>	<u>Expenses</u>
Governmental Activities:	
Recreation Expenditures	\$ 270,004
Total Governmental Activities	<u>270,004</u>
Program Revenues	
Charges for Services	127,555
General Revenues	
Property Taxes	207,905
Revenue Sharing	8,519
Interest Income	471
Other	3,156
Total General Revenues	<u>347,606</u>
Change in Net Assets	<u>77,602</u>
Net Assets, Beginning	433,115
Net Assets, Ending	<u>\$ 510,717</u>

See accompanying notes and accountant's report.



**Basic Financial Statements**  
**Governmental Fund Financial Statements**

**St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana**

**Statement C**

**Balance Sheet  
Governmental Fund  
December 31, 2010**

	<u>General Fund</u>
<b>Assets</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 54,485
Ad Valorem Tax Receivable, Net	209,344
State Revenue Sharing Receivable	2,873
Total Current Assets/Total Assets	<u>\$ 266,702</u>
<b>Liabilities and Fund Balance</b>	
Current Liabilities:	
Accounts Payable	\$ 1,087
Payroll Liabilities	7,171
Pension Payable	6,823
Total Current Liabilities/Total Liabilities	<u>15,081</u>
<b>Fund Balance</b>	
Unreserved Fund Balance	<u>251,621</u>
Total Fund Balance	<u>251,621</u>
Total Liabilities and Fund Balance	<u>\$ 266,702</u>

See accompanying notes and accountant's report.

**St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana**

**Statement D**

**Reconciliation of the Governmental Fund Balance Sheet to  
the Government-Wide Statement of Net Assets  
December 31, 2010**

<b>Fund Balances, Governmental Funds, Statement C</b>	<b>\$ 251,621</b>
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Amounts reported for governmental activities in the statement of net assets are different because:

Governmental funds report bond issuance cost as expenditures. However, in the Statement of Net Assets, bond issuance costs are amortized over the life of the bond and are reported as amortization expense. This is the amount of unamortized bond issuance costs.

495

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. These assets consist of:

Capital Assets, Net of Depreciation	290,601
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Limited Tax Certificates, Series 2009	(32,000)
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<b>Net Assets, Governmental Activities, Statement A</b>	<b>\$ <u>510,717</u></b>
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See accompanying notes and accountant's report.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**

**Statement E**

**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Fund**  
**For the Year Ended December 31, 2010**

	<u>General Fund</u>
<b>Revenues</b>	
Property Taxes	\$ 207,905
Revenue Sharing	8,519
Interest Income	471
Park Revenue	127,555
Other	3,156
Total Revenues	<u>347,606</u>
<b>Expenditures</b>	
Accounting	8,549
Bank Charges	156
Baseball	32,834
Basketball	14,292
Capital Outlay, Land	144,847
Capital Outlay	37,370
Cheerleader	3,250
Concession	16,430
Debt Service, Interest	1,126
Debt Service, Principal	10,000
Employee Benefit - Health	1,274
Facilities Maintenance	15,878
Field Maintenance	18,813
Football	18,704
Garbage	2,331
Insurance	12,794
Mileage	1,422
Miscellaneous	304
Office Supplies	1,899
Payroll Expenditures	52,224
Pension	6,823
Postage	107
Property Taxes	140
Retirement	4,062
Soccer	8,136

See accompanying notes and accountant's report.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**

**Statement E**

**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Fund**  
**For the Year Ended December 31, 2010**

	<b>General Fund</b>
Support Services	\$ 3,118
Utilities	30,474
Website	258
Total Expenditures	<u>447,615</u>
<b>Change in Fund Balance</b>	<u>(100,009)</u>
<b>Fund Balance, Beginning</b>	351,630
<b>Fund Balance, Ending</b>	\$ <u><u>251,621</u></u>

See accompanying notes and accountant's report.

**St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana**

**Statement F**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance  
of Governmental Funds to the Statement of Activities**

**For the Year Ended December 31, 2010**

<b>Net Change in Fund Balance, Governmental Funds, Statement E</b>	<b>\$ (100,009)</b>
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report bond issuance costs as expenditures. However, in the Statement of Net Assets, bond issuance costs are allocated over the life of the bond and reported as amortization expense.

Amortization Expense	(228)
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Capital outlays are reported in governmental funds as expenditures. However in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. These differences consist of:

Capital Outlay	182,217
Depreciation Expense	(14,378)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Repayment of Bond Principal	10,000
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<b>Change in Net Assets, Governmental Activities, Statement B</b>	<b>\$ <u>77,602</u></b>
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See accompanying notes and accountant's report.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2010**

**Introduction**

St. Tammany Parish Recreation District No. 11 was created by ordinance of the St. Tammany Parish Council for the purpose of acquiring, maintaining, and operating recreation facilities and equipment within the District. The District operates under the direction of a five-member board appointed by the St. Tammany Parish Council.

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the St. Tammany Parish Recreation District No. 11 is considered a component unit of the St. Tammany Parish Council. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

**1. Summary of Significant Accounting Policies**

**A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the St. Tammany Parish Recreation District No. 11.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2010**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following governmental fund:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**C. Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law allows the District to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool and mutual funds consisting solely of government-backed securities. The District has not formally adopted deposit and investment policies that limit the government's allowable deposits or investments and address the specific types of risk to which the government is exposed.

The District had no investments at December 31, 2010.



**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2010**

**D. Inventories**

The District utilizes the "purchase method" of accounting for supplies in governmental funds whereby expendable operating supplies are recognized as expenditures when purchased. The District did not record any inventory at December 31, 2010, the amount is not material.

**E. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The District did not record any prepaid items at December 31, 2010.

**F. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of the donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

All capitals assets, other than land, are depreciated using the straight-line method over the following useful lives:

Buildings and Improvements	15 - 20 Years
Equipment	3 - 10 Years

**G. Compensated Absences**

The District has not established a policy concerning vacation and sick leave.

**H. Long-Term Obligations**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2010**

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**I. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**J. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the District, which are either unusual in nature or infrequent in occurrence.

**K. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

**L. Reconciliation of Government-Wide and Fund Financial Statements**

Explanations of certain differences between the governmental fund balance sheet and the government-wide statement of net assets is presented in Statement D of the basic financial statements. Explanations of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

**M. Pension Plans**

The St. Tammany Parish Recreation District No. 11 participates in the Parochial Employees' Retirement System of Louisiana.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2010**

**2. Stewardship, Compliance and Accountability**

Budgetary procedures applicable to the District are defined in state law, Louisiana Revised Statutes 39:1301-14. The major requirements of the Local Government Budget Act are summarized as follows:

1. The District must adopt a budget each year for the general fund and each special revenue fund, if applicable.
2. The chairman must prepare a proposed budget and submit the proposed budget to the Board of Commissioners for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal in each parish in which the District has jurisdiction. The proposed expenditures were less than \$500,000; therefore, a public hearing was not required.
3. All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. The budget was adopted on December 1, 2009.
4. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners. The budget was amended on November 9, 2010.
5. The budget for the General Fund was adopted on a basis consistent with generally accepted accounting principles (GAAP). Accordingly, the Budgetary Comparison Schedule for the General Fund presents actual expenditures in accordance with the accounting principals generally accepted in the United States of America on a basis consistent with the legally adopted budgets as amended. All budgetary amounts presented reflect the original budget and the final budget for 2010.

**3. Cash and Cash Equivalents**

At December 31, 2010, the District has cash and cash equivalents (book balances) totaling \$54,485 as follows:

Interest-Bearing Demand Deposits	\$ <u>54,485</u>
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These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2010, the District has \$54,485 in interest-bearing demand deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2010**

**4. Receivables**

The receivables of \$212,217 at December 31, 2010, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>
Ad Valorem Tax Receivable	\$ 212,572
Allowance for Uncollectible	(3,228)
Ad Valorem Tax Receivable, Net	209,344
State Revenue Sharing	2,873
Total	<u>\$ 212,217</u>

**5. Levied Taxes**

The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized</u>	<u>Levied</u>
General Fund	<u>10.00</u>	<u>7.59</u>

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the District during the year and are billed to taxpayers and become due in November. Billed taxes become delinquent on December 31<sup>st</sup> of each year. Revenues from ad valorem taxes are budgeted in the year billed and are recognized as revenue when billed. The St. Tammany Parish Sheriff's Office bills and collects the property taxes using the assessed value determined by the St. Tammany Parish Assessor. The taxes are generally collected in December of the current year and January and February of the ensuing year. For 2010, the District levied 7.59 mills for a total tax levy of \$317,621. The amount exempt under Homestead exemption was \$105,049. The balance due Recreation District No. 11 is \$212,572. An allowance for uncollectible property taxes was recorded at approximately 1.5% of the balance due in the amount of \$3,228.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2010**

**6. Capital Assets**

A summary of changes in capital assets follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ -	\$ 144,847	\$ -	\$ 144,847
Total Capital Assets Not Being Depreciated	-	144,847	-	144,847
 Other Capital Assets:				
Improvements	128,239	36,865	-	165,104
Equipment	44,674	505	-	45,179
Total Capital Assets	172,913	37,370	-	210,283
Less Accumulated Depreciation:				
Improvements	24,623	9,719	-	34,342
Equipment	25,528	4,659	-	30,187
Total Accumulated Depreciation	50,151	14,378	-	64,529
Other Capital Assets, Net	122,762	22,992	-	145,754
Governmental Activities Capital, Net	<u>\$ 122,762</u>	<u>\$ 167,839</u>	<u>\$ -</u>	<u>\$ 290,601</u>

Depreciation was charged to governmental functions as follows:

Recreation Expenditures	<u>\$ 14,378</u>
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**7. Long-Term Debt**

At December 31, 2010, bonds payable consisted of the following individual issues:

	<u>Interest Rate %</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Outstanding</u>
Limited Tax Certificates, Series 2009	2.5 - 3.25	09/04/2009	03/01/2013	<u>\$ 32,000</u>

Transactions for the year ended December 31, 2010 are summarized as follows:

	<u>Balance Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Limited Tax Certificates, Series 2009	<u>\$ 42,000</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 32,000</u>	<u>\$ 10,000</u>

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2010**

The annual aggregate maturities for each bond type for the years subsequent to December 31, 2010, are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 10,000	\$ 825	\$ 10,825
2012	11,000	523	11,523
2013	11,000	179	11,179
Total	<u>\$ 32,000</u>	<u>\$ 1,527</u>	<u>\$ 33,527</u>

**8. Leases**

The District does not have any capital or operating leases.

**9. Compensated Absences**

The District does not have employees that accumulate or vest benefits.

**10. Litigation and Claims**

At December 31, 2010, the District does not have any litigation or claims against it.

**11. Compensation of Board Members Commissioners**

The St. Tammany Parish Recreation District No. 11 paid no compensation to its board members as of and for the year ended December 31, 2010.

**12. Concentrations**

Property taxes totaling \$207,905 accounted for 59.8% of the District's total revenue of \$347,606. Revenues generated by park activities such as registration fees, concessions and entrance fees totaling \$127,555 accounted for 36.6% of the total revenue and revenue sharing and other revenue totaling \$11,675 accounted for 3.6%.

**13. Risk Management**

St. Tammany Parish Recreation District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District attempts to minimize risk from significant losses through the purchase of commercial insurance.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2010**

**14. Pension Plan**

Employees participate in the Parochial Employees' Retirement System of Louisiana. This system is a public defined benefit pension plan which provides retirement allowances and other benefits, operating pursuant to LSA-R.S. 11:1901 through 2025. The retirement system has the powers and privileges of a corporation.

*Plan Description.* The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Plan A was designed for employers out of Social Security. Plan B was designed for those employers that remained in Social Security.

The park director participates in Plan A.

*Plan A Benefits.*

A. Normal Retirement Benefits - The retirement allowance is equal to three percent of the member's final average compensation multiplied by his years of creditable service. Final average compensation shall be defined as the average of the highest consecutive 36 month salary for members hire prior to 1/1/07. For members hired 1/1/07 and later, final average compensation shall be defined as the average of the highest consecutive 60 months salary.

Eligibility Provisions for Active Members Hired 1/1/07 and Later are as follows:

- 7 years of service, age 67
- 10 years of service, age 62
- 30 years of service, age 55

*Membership.* All permanent employees working at least 28 hours per week shall become members on the date of employment.

Effective July 1, 1997, new employees age 55 and older and who have 40 quarters or more of Social Security participation have an option to join the Parochial System. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. When a decision is made, an election form must be completed and sent to the retirement system office. If the employee elects to join the system, the standard Personal History form should be completed as well. If the employee begins work before the election is made, the employee should be enrolled in Social Security or in a deferred compensation plan until the retirement determination is made.

*Vesting.* Seven years of service credit is required to be eligible for a normal retirement benefit at age 65 if the member was an active member of either plan on December 31, 2006. For employees hired after 1/1/07 and later, vesting occurs with seven years of service credit; however, those members must attain age 67 before becoming eligible for normal retirement. Eligibility to actually begin receiving benefits is a function of fulfilling the eligibility provisions of age and service.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2010**

*Funding Policy.* The system is funded primarily by employer and employee contributions which are expressed as percentages of payroll. The amount of employee contributions is fixed by law. Currently, the Plan A employee rate is 9.5% and the Plan B employee rate is 3.0%. Employer contributions are actuarially determined every fiscal year according to statutory process. Written notice of these rates is provided to employers annually. In 2010, these employer rates will be 15.75% for Plan A and 10.0% for Plan B. The St. Tammany Recreation District No. 11 contributions to the System under Plan A for the years ending December 31, 2010 were \$6,512.39 respectfully equal to the required contributions.

A statement of accumulated member contributions is provided to all members with a balance following the close of each plan year.

Requests for further information should be directed to Parochial Employees' Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, Louisiana 70898-4619.

**15. Subsequent Event**

Management has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through May 12, 2011, the date which the financial statements were available to be issued.



## **Required Supplemental Information (Part II)**

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**

**Schedule 1**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Governmental Fund**  
**For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Amounts	
Property Taxes	\$ 194,161	\$ 183,684	\$ 207,905	\$ 24,221
Revenue Sharing	-	-	8,519	8,519
Interest Income	350	495	471	(24)
Park Revenue	83,500	119,559	127,555	7,996
Other	1,600	1,179	3,156	1,977
Total Revenues	<u>279,611</u>	<u>304,917</u>	<u>347,606</u>	<u>42,689</u>
Expenditures				
Accounting	7,000	8,548	8,549	(1)
Advertising	750	-	-	-
Bank Charges	100	187	156	31
Baseball	22,000	32,985	32,834	151
Basketball	8,750	13,049	14,292	(1,243)
Capital Outlay, Land	142,000	144,847	144,847	-
Capital Outlay	34,000	34,457	37,370	(2,913)
Cheerleader	3,000	3,300	3,250	50
Computer	500	-	-	-
Concession	11,000	17,000	16,430	570
Debt Service, Interest	1,077	1,125	1,126	(1)
Debt Service, Principal	10,000	10,000	10,000	-
Employee Benefit - Health	-	1,164	1,274	(110)
Election	12,000	-	-	-
Facilities Maintenance	16,000	18,578	15,878	2,700
Field Maintenance	15,000	15,430	18,813	(3,383)
Football	12,000	17,434	18,704	(1,270)
Garbage	2,250	2,307	2,331	(24)
Insurance	18,000	12,794	12,794	-
Mileage	400	1,410	1,422	(12)
Miscellaneous	7,000	364	304	60
Office Supplies	1,500	1,075	1,899	(824)
Payroll Expenditures	57,000	48,440	52,224	(3,784)
Pension	-	-	6,823	(6,823)
Postage	750	51	107	(56)
Professional Fees	800	-	-	-
Property Taxes	-	-	140	(140)
Retirement	-	-	4,062	(4,062)
Soccer	10,000	7,405	8,136	(731)

See accountant's report.

**St. Tammany Parish Recreation District No. 11**  
**Abita Springs, Louisiana**

**Schedule 1**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Governmental Fund**  
**For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Final Budget
	Original	Final	Amounts	Favorable (Unfavorable)
Support Services	\$ 25,688	\$ 53,477	\$ 3,118	\$ 50,359
Utilities	26,000	30,923	30,474	449
Website	600	258	258	-
Total Expenditures	<u>445,165</u>	<u>476,608</u>	<u>447,615</u>	<u>28,993</u>
<b>Change in Fund Balance</b>	<u>(165,554)</u>	<u>(171,691)</u>	<u>(100,009)</u>	<u>71,682</u>
<b>Fund Balance, Beginning</b>	<u>351,630</u>	<u>351,630</u>	<u>351,630</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 186,076</u>	<u>\$ 179,939</u>	<u>\$ 251,621</u>	<u>\$ 71,682</u>

See accountant's report.

## Other Supplemental Information

MEMBER  
American Institute of  
Certified Public  
Accountants

**Phil Hebert, CPA**  
A PROFESSIONAL ACCOUNTING CORPORATION  
Post Office Box 1151 • Ponchatoula, Louisiana 70454  
Office: (985) 386-5740 • Fax (985) 386-5742

MEMBER  
Society of Louisiana  
Certified Public  
Accountants

### Independent Accountant's Report on Applying Agreed-Upon Procedures

Board of Commissioners  
St. Tammany Parish Recreation District No. 11  
Abita Springs, Louisiana

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the St. Tammany Parish Recreation District No. 11 and the Legislative Auditor, State of Louisiana solely to assist the users in evaluating management's assertions about the St. Tammany Parish Recreation District No. 11's compliance with certain laws and regulations during the year ended December 31, 2010, included in the accompanying *Louisiana Attestation Questionnaire*. Management of the St. Tammany Parish Recreation District No. 11 is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Governmental Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

#### Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (public bid law).

There were no expenditures for materials and supplies exceeding \$20,000 and no expenditures were made for public works exceeding \$100,000.

#### Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list.

3. Obtain from management a listing of all employees paid during the period under examination.

None of the employees included on the list of employees provided by management [Agreed-upon procedure (3)] were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2).

### Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. The budget was amended during the year and the amended budget was provided to me.

6. Trace the budget adoption and amendments to the minute book.

I traced the adoption of the original budget to the minutes held on December 1, 2009 which indicated that the budget had been approved by the commissioners of St. Tammany Parish Recreation District No. 11. I traced the amendments to the minutes of the meeting held November 9, 2010 which indicated that the amendments had been approved by the commissioners of St. Tammany Parish Recreation District No. 11.

7. Compare the revenues of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

I compared the revenues and expenditures for the final budget to actual revenues and expenditures. Actual expenditures for the year were less than the final budgeted amounts and actual revenues exceeded final budgeted revenues.

## Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

All of the payments were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the Chairman of the Board of Commissioners. In addition, each of the disbursements were traced to the cancelled checks.

## Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The District is required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. I obtained a copy of a notice with the accompanying agenda that was posted on the door of the District's office building.

## Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I inspected copies of all bank deposit slips for the period under examination and noted no deposits which appear to be proceeds of bank loans, bonds or like indebtedness.

## Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the District for the year indicated no approval for the payments noted. I also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

### Prior Comments and Recommendations

My prior year report dated May 10, 2010, did not include any comments or unresolved matters.

I was not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the St. Tammany Parish Recreation District No. 11 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Phil Hebert*

Phil Hebert, CPA  
A Professional Accounting Corporation

April 26, 2011



# LOUISIANA ATTESTATION QUESTIONNAIRE

(For Attestation Engagements of Government)

Phil Hebert, CPA  
A Professional Accounting Corporation  
600 West Pine St.  
Ponchatoula, Louisiana 70454

In connection with your review of our financial statements as of December 31, 2010 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 2/8/11.

## Public Bid Law

It is true that we have complied with the public bid law, R.S Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes( ☒ ) No( ☐ ) N/A( ☐ )

## Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes( ☒ ) No( ☐ ) N/A( ☐ )

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes( ☒ ) No( ☐ ) N/A( ☐ )

## Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (RS 39:1301-16), R.S. 39:33, or the budget requirements of R.S 39:1331-1342, as applicable.

Yes( ☒ ) No( ☐ ) N/A( ☐ )

## Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes( ☒ ) No( ☐ ) N/A( ☐ )

We have filed our annual financial statements in accordance with R.S. 24:514 and 33:463 where applicable.

Yes( ☒ ) No( ☐ ) N/A( ☐ )

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes( ☒ ) No( ☐ ) N/A( ☐ )

## Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:1 through 42:13.

Yes( ☒ ) No( ☐ ) N/A( ☐ )

## Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes( ☒ ) No( ☐ ) N/A( ☐ )

## Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes( ☒ ) No( ☐ ) N/A( ☐ )

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

\_\_\_\_\_  
Secretary \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_  
Treasurer \_\_\_\_\_ Date \_\_\_\_\_

*Mark Lopez* \_\_\_\_\_  
President \_\_\_\_\_ 2/8/2011 \_\_\_\_\_ Date \_\_\_\_\_